

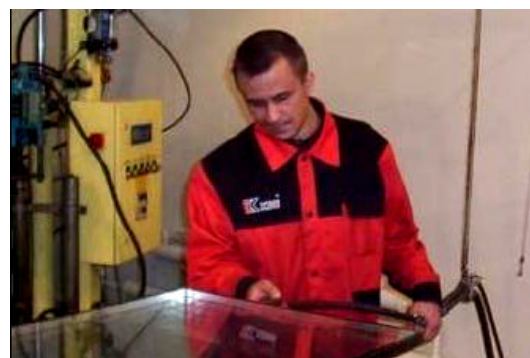


## USAID Assistance Programs and Key Achievements

The United States Agency for International Development (USAID) began providing development assistance to Kazakhstan in 1992. Since then, the American people through USAID have provided more than \$500 million in programs that support Kazakhstan's democratic institutions, healthcare, and economic growth. USAID programs in Kazakhstan are implemented through contracts and grants by nearly 40 local and international organizations, including U.N. agencies, for-profit companies, and non-governmental organizations.

**INCREASED ENTERPRISE AND TRADE** (an estimated 52% of assistance funds have been provided for projects in this area): USAID's current program focuses on strengthening the competitiveness of small and medium enterprises, supports policy and legal changes to improve the environment for doing business in Kazakhstan, and assists with the country's accession to the World Trade Organization.

- During the earlier years of assistance, USAID was a significant outside contributor to Kazakhstan's small-scale and mass privatization programs.
- USAID has played a major role in developing both the primary and secondary mortgage markets in Kazakhstan. USAID assisted the National Bank of Kazakhstan with developing mortgage standards, helped to train market specialists, and facilitated the creation of both the Association of Realtors and the Association of Real Estate Appraisers. USAID also helped design the country's first mortgage-backed security, consulted on the development of the Kazakhstan Mortgage Company, and helped create the Kazakhstan Mortgage Guarantee Fund.
- With USAID's assistance, the first credit bureau was established in Kazakhstan; it helps strengthen the lending markets while providing capital for increased diversification of the economy and an additional source of credit for entrepreneurs.
- USAID assisted opening Kazakhstan's first private stock exchange in Almaty in 1995, and sponsored the formation of an independent Securities and Exchange Commission.
- In 2000, USAID helped to create the corporate bond market, which has now reached \$1.7 billion in cumulative issuances.
- Through technical assistance, USAID helped the Kazakhstani Central Bank assure a tight monetary policy, strengthen financial regulatory guidelines, and enhance monitoring capability. This facilitated the National bank's emergence as independent entity able to effect real policy change. Continuous USAID support helps the banking sector grow, with deposits as a percentage of GDP in 2004 estimated at 24.4% and individual deposits \$3 billion.
- USAID's micro and small loan program provided 44,517 loans in 2004, with a total loan volume of \$236 million. Since its inception, 2,000 loan officers have been trained by this program.
- USAID assisted in amending Kazakhstan's Law on Financial Leasing, the Civil Code, and the Civil Litigations Code, and worked on building lending capacity and education of private enterprises, financial institutions, and regulatory agencies.
- USAID's technical assistance had a leading role in pension reform. By the end of 1999, after just two years, the accumulation pension system had grown to \$467 million, adding to the ever-increasing pool of capital available for investment, increased economic security for the elderly, and individual choice for



*USAID helps to build long-term capacity in the small business sector.*

*Photo: Enterprise Development Project*

citizens.

- USAID helped to improve the government spending and budgeting process by assisting in developing the Budget Code and Public Sector Auditing Standards.
- Since 2002, USAID's Enterprise Development Project has served 532 clients with aggregate sales estimated at over \$563 million, and developed 588 Strategic Action Plans for them. The project's clients employ nearly 17,000 people in Kazakhstan, and on average, they have increased sales by 31%, with a productivity increase of 22%.
- USAID trained several hundreds of professors throughout the country in modern business and economics education.
- To support trade and investment, USAID helped to establish and formalize Consultative Councils in the border oblasts and at the national level. These councils, comprised of business and government representatives, are instrumental in identifying and developing recommendations for the reduction of cross-border trade barriers.
- Through the Regional Trade Promotion component USAID has helped conclude over \$63 million worth of trade deals in Kazakhstan.
- USAID provided extensive assistance in tackling trade and investment constraints. As of mid-2005, the total savings of small and medium enterprises from the investment constraint reductions are estimated at \$13 million annually.

**IMPROVED MANAGEMENT OF CRITICAL NATURAL RESOURCES** (8% of total funding has been provided for the programs in this area): USAID provides assistance to strengthen Kazakhstan's capacity in managing energy and water resources.

- USAID assistance in energy led to the adoption of a new electricity law, which allows for more demand-driven buying and selling of power.
- In 2003, USAID programs completed successful heating efficiency demonstration models in Atyrau, which resulted in a 26% energy savings in the city during the 2004-2005 heating season and convincing authorities to acquire and install, from their own resources, additional equipment at 18 more locations.
- In 2004, USAID created a \$15 million Development Credit Authority (DCA) package to encourage lending in the under-served energy efficiency sector in Kazakhstan. Through the DCA package, USAID guarantees loans made to institutions for the implementation of energy improvement projects.
- USAID is in the final stages of completing a water monitoring/reporting communication network for Kazakhstan. The project will do real time allocations, planning, and analysis of water resources and help improve weather forecasting.
- Together with other donors, USAID is helping to set up a ground-breaking Masters of Science in Environmental Management and Engineering at the Eurasian National University in Astana.



*HIV/AIDS testing is one of the areas in which USAID provides support.*

*Photo: USAID*

**INCREASED ACCESS TO QUALITY HEALTH CARE** (Since 1992, health care programs have received 16% of the total funding for Kazakhstan): The USAID health program works to expand primary health care services within Kazakhstan and to prevent and control infectious diseases such as HIV/AIDS and tuberculosis.

- During the early years of assistance in Kazakhstan, USAID provided support to restructure and privatize the state pharmaceutical monopoly "Pharmatsya". This helped lower prices, improve quality, and increase the availability of essential drugs.
- USAID-funded advisors helped introduce more effective, efficient, and less costly health surveillance measures that in the first year alone resulted in \$2.4 million annual savings.
- USAID-funded technical assistance in immunization policies and schedules in Kazakhstan brought 16.5% annual savings compared to previous immunization patterns.
- With USAID assistance, the Government of Kazakhstan adopted the State Program for Health Reform and Development, which calls for a

doubling of the national health budget and a focus on primary health care.

- USAID helped to create the legal framework for the national roll-out of health financing reforms.
- USAID advised the government in drafting national primary health care (PHC) enrollment rules and other essential legislative changes. Reformed PHC practices cover approximately 39% of Kazakhstan's population.
- The USAID-funded small grant program, Healthy Communities, has competitively financed 26 projects, benefiting an estimated 160,000 citizens.
- USAID continues to support the U.S. Centers for Disease Control and Prevention's (CDC's) Applied Epidemiology Training Program, which helps to build public health capacity in the region.
- USAID assistance with implementation of the World Health Organization (WHO) definition of live birth helped to improve the international validity of data and guide appropriate neonatal interventions.
- To support surveillance of HIV/AIDS in Kazakhstan, USAID established four HIV sentinel surveillance sites, providing training, guidance on policy development, assistance for conducting outreach work, and procurement of modern laboratory equipment. USAID also is helping to integrate the response to the epidemic into the primary health care system and to obtain and implement grants from the Global Fund to Fight AIDS, tuberculosis, and Malaria.
- In 2004, technical assistance from USAID helped the Ministry of Health develop the "State Program for Health Reform and Development," and supports the Program's implementation.
- USAID assistance in tuberculosis (TB) control resulted in a 93% case detection rate, a 78% treatment success rate, and a 2.8% decrease in incidence. Established in 2001, a USAID pilot in Karaganda on TB in prison has demonstrated improved coordination between the health and penal system. The program has resulted in doubling the rates of detection of contagious prisoners, and more than seven-fold increase in the percentage of ex-prisoners registered in the civilian TB program.
- In January 2004, USAID and ExxonMobil began an alliance to improve the health and quality of care provided to young children in Astana through implementation of the WHO-recommended Integrated Management of Childhood Illnesses strategy.
- Through support from USAID, an increasing number of Kazakhstanis, primarily women and adolescents, have access to free, confidential, and accurate reproductive health information through the Red Apple Reproductive Health Hotline, which received about 83,000 calls in 2004.

## **STRENGTHENED DEMOCRATIC CULTURE AND CONFLICT**

**MITIGATION:** (16% of all funds have been provided in this area):

USAID's strategic approach to supporting democracy in Kazakhstan focuses on strengthening and developing civil society, supporting and advocating for independent media, and providing training for political parties and civic education.

- Through institutional grants targeting youth, elderly, professional associations, and disabled groups, USAID helped 20 NGOs to address self-identified community needs, while at the same time strengthening their organizational capacity.
- Nearly 700 schools in all 14 oblasts use the USAID-funded Civic Education textbook for 9th, 10th, and 11th grades which includes such topics as women in political life in Kazakhstan, international human rights, and civic responsibility. Several thousands of students each year participate in USAID-supported extra-curricular civic education related activities.
- USAID's support for free and fair elections includes non-partisan political party training, work with NGOs on civic advocacy, media training, and NGO "get-out-the vote" initiatives. USAID funded a Youth League of Voters through the Youth Information Service of Kazakhstan.
- This year, USAID awarded 31 grants to 25 NGOs and six media outlets, with most grants focusing on voter information campaigns and voters' rights. USAID also supported the local Republican Network of Independent Monitors, which was the only local NGO to play a significant role in the Election Law Working Group established by Parliament. USAID continues its program related to training for television



*A young girl model demonstrates her traditional costume at one of Turkistan's newly refurbished youth centers.*

*Photo: ACDI/VOCA*

stations, including a national network, to produce more investigative reports.

- Through assistance in addressing trafficking, USAID continues to help keep Kazakhstan off of Tier 3 on the State Department's annual Global Trafficking in Persons Report. USAID has helped to improve the legislative and institutional framework, establish guidelines for investigation and prosecution, establish a National Plan of Action to combat trafficking, and provide greater protection for victims.
- To help reduce income disparities and provide economic opportunities for urban youth, during 2004, USAID implemented 39 programs in 21 communities in Southern Kazakhstan, Zhambul, and Almaty oblasts, benefiting more than 400,000 residents through repair of health clinics, water systems, and schools. These projects resulted in over 2,500 short and long-term jobs. Communities on average are contributing 37% of overall project costs in the form of in-kind or cash payments.
- Through a program to improve judicial performance, USAID has trained judges, helped write bench books for use in court, and developed continuing judicial education courses. In addition, USAID has supported a pilot court recording project to provide an audio and video record of court proceedings, and introduced local law schools to legal clinics and moot court competitions in order to sharpen lawyers' skills and provide practical training.

**OTHER PROGRAMS** (8% of total funds): Several crosscutting objectives also guide USAID assistance, for example:

- USAID's Participant Training Program offers specialized learning opportunities to a broad cross-section of the society: government ministers, heads of businesses and NGO leaders, and citizens committed to reform in their areas of expertise. Since it began in Kazakhstan, the program has trained over 14,000 Kazakhstani citizens.
- Through funding for Eurasia Foundation's small grants program, USAID supports small business development, encourages civic advocacy, and increases local government responsiveness to citizens' needs. In 2005, the Eurasia Foundation provided approximately \$800,000 in technical assistance to local organizations including 28 grants to Kazakhstani NGOs, with an average grant size of more than \$26,000.
- USAID's Office of Foreign Disaster Assistance helped manage a regional earthquake preparedness activity.
- In February 2005, USAID donated \$25,000 to the Red Crescent Society in Kazakhstan, to provide relief support for those affected by the extreme weather in southern Kazakhstan.

For more information on our programs, please visit our website, <http://centralasia.usaid.gov>